

**AMENDMENT TO THE RULES COMMITTEE PRINT
OF H.R. 5
OFFERED BY MR. TAKANO OF CALIFORNIA**

Page 62, line 23, insert “and” after the semicolon.

Page 63, strike lines 1 through 3.

Page 63, line 4, redesignate subparagraph (D) as subparagraph (C).

Page 87, line 22, strike section 121 and insert the following:

1 SEC. 121. FISCAL REQUIREMENTS.

2 Section 1120A (20 U.S.C. 6321) is amended by strik-
3 ing “part” each place it appears and inserting “subpart”.

Page 93, beginning on line 5, strike paragraph (3)
and insert the following:

4 (3) by striking subsections (a) and (f) and re-
5 designating subsections (b) through (g) as sub-
6 sections (a) through (f), respectively; and

Page 394, beginning on line 5, strike subsection (f).

Page 454, after line 3, insert the following:

7 “(2) maintenance of effort;”.

Page 454, beginning on line 4, redesignate paragraphs (2) through (8) as paragraphs (3) through (9), respectively.

Page 481, after line 22, insert the following new section:

1 **“SEC. 5552. MAINTENANCE OF EFFORT.**

2 “(a) IN GENERAL.—A local educational agency may
3 receive funds under a covered program for any fiscal year
4 only if the State educational agency finds that either the
5 combined fiscal effort per student or the aggregate ex-
6 penditures of the agency and the State with respect to
7 the provision of free public education by the agency for
8 the preceding fiscal year was not less than 90 percent of
9 the combined fiscal effort or aggregate expenditures for
10 the second preceding fiscal year.

11 “(b) REDUCTION IN CASE OF FAILURE TO MEET.—

12 “(1) IN GENERAL.—The State educational
13 agency shall reduce the amount of the allocation of
14 funds under a covered program in any fiscal year in
15 the exact proportion by which a local educational
16 agency fails to meet the requirement of subsection
17 (a) of this section by falling below 90 percent of
18 both the combined fiscal effort per student and ag-
19 gregate expenditures (using the measure most favor-
20 able to the local agency).

1 “(2) SPECIAL RULE.—No such lesser amount
2 shall be used for computing the effort required
3 under subsection (a) of this section for subsequent
4 years.

5 “(c) WAIVER.—The Secretary may waive the require-
6 ments of this section if the Secretary determines that a
7 waiver would be equitable due to—

8 “(1) exceptional or uncontrollable cir-
9 cumstances, such as a natural disaster; or

10 “(2) a precipitous decline in the financial re-
11 sources of the local educational agency.”.

